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If you have sold or transferred all your shares in Guangzhou Rural Commercial Bank Co., Ltd.*, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Guangzhou Rural Commercial Bank Co., Ltd.*
廣州農村商業銀行股份有限公司*

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 1551)

(Preference Share Stock Code: 4618)

**2019 BOARD OF DIRECTORS' REPORT,
2019 BOARD OF SUPERVISORS' REPORT,
2019 ANNUAL REPORT,
2019 ANNUAL FINANCIAL STATEMENTS,
2020 FINANCIAL BUDGET,
2019 PROFIT DISTRIBUTION PLAN,
PROPOSED AMENDMENTS TO THE MEASURES FOR
THE ADMINISTRATION OF THE EQUITIES,
ELECTION OF MR. ZHANG JIAN AS DIRECTOR,
2019 REPORT ON SANNONG FINANCIAL SERVICES,
ESTIMATED ANNUAL CAPS FOR RECURRING RELATED PARTY
TRANSACTIONS IN 2020,
APPOINTMENT OF AUDITORS,
GENERAL MANDATE TO ISSUE NEW SHARES,
PROPOSED EXTENSION OF THE VALIDITY PERIOD FOR
A SHARE OFFERING AND LISTING,
PROPOSED EXTENSION OF THE VALIDITY PERIOD OF MANDATE TO
DEAL WITH MATTERS RELATING TO
A SHARE OFFERING AND LISTING
AND
NOTICE OF 2019 AGM**

The Letter from the Board is set out on pages 3 to 22 of this circular.

Guangzhou Rural Commercial Bank Co., Ltd.* (the "Bank") will convene the AGM at 13F, No. 1 Huaxia Road, Pearl River New Town, Tianhe District, Guangzhou, Guangdong Province, PRC at 9:30 a.m. on Friday, May 22, 2020. The notice of 2019 AGM is set out on pages 42 to 45 of this circular.

Whether or not you are able to attend and/or vote at the AGM, you are requested to complete and return (i) the reply slip in accordance with the instructions printed thereon on or before Saturday, May 2, 2020 to the H Share Registrar; and (ii) the form of proxy in accordance with the instructions printed thereon as soon as possible but in any event not less than 24 hours before the time appointed for convening the AGM or any adjournment thereof (as the case may be) to the H Share Registrar.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

* *The Bank is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.*

April 27, 2020

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2019 Annual Report”	the annual report of the Bank for the year ended December 31, 2019, which is available for inspection on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Bank (www.grcbank.com)
“A Share(s)”	ordinary shares proposed to be issued by the Bank pursuant to A Share Offering for subscription in RMB
“AGM”	the 2019 annual general meeting of the Bank to be held at 13F, No. 1 Huaxia Road, Pearl River New Town, Tianhe District, Guangzhou, Guangdong Province, PRC at 9:30 a.m. on Friday, May 22, 2020
“Articles of Association”	the Articles of Association of the Bank
“Bank”	Guangzhou Rural Commercial Bank Co., Ltd.*, a joint stock company incorporated in the PRC with limited liability, whose H shares are listed on the Main Board of the Hong Kong Stock Exchange
“Board” or “Board of Directors”	the board of Directors
“Board of Supervisors”	the board of Supervisors
“CBIRC”	China Banking and Insurance Regulatory Commission and its local offices
“CSRC”	China Securities Regulatory Commission and its local offices
“Director(s)”	the director(s) of the Bank
“General Mandate”	the Board of Directors is proposed to be granted a general and unconditional mandate at the 2019 AGM by the Shareholders to allot, issue and/or dispose of new shares of up to 20% of H Shares issued by the Bank as at the date of the passing of the relevant resolution, at any time during the period specified in such resolution as set out in this circular

DEFINITIONS

“H Share Registrar”	Computershare Hong Kong Investor Services Limited, the H Share Registrar of the Bank
“H Share(s)”	overseas listed foreign shares in the capital of the Bank, with a nominal value of RMB1.00 each, which are listed on the Main Board of the Hong Kong Stock Exchange
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HK”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Non-overseas Listed Share(s)”	ordinary shares in the capital of the Bank, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid in full in RMB
“PRC”	the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Bank
“Share(s)”	the Non-overseas Listed Share(s) and the H Share(s)
“Supervisor(s)”	the supervisor(s) of the Bank
“%”	per cent

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LETTER FROM THE BOARD



Guangzhou Rural Commercial Bank Co., Ltd.*
廣州農村商業銀行股份有限公司*

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 1551)

(Preference Share Stock Code: 4618)

Executive Director:

Yi Xuefei

Registered office in the PRC:

No. 9, Yingri Road

Huangpu District

Guangzhou

PRC

Non-executive Directors:

Li Fangjin

Su Zhigang

Liu Guojie

Zhu Kelin

Principal place of business

in Hong Kong:

40/F, Sunlight Tower

248 Queen's Road East

Wanchai

Hong Kong

Independent Non-executive Directors:

Liu Shaobo

Liu Heng

Song Guanghui

Zheng Jianbiao

Guangzhou, the PRC, April 27, 2020

Dear Sir or Madam,

**2019 BOARD OF DIRECTORS' REPORT,
2019 BOARD OF SUPERVISORS' REPORT,
2019 ANNUAL REPORT,
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NOTICE OF 2019 AGM**

LETTER FROM THE BOARD

I. INTRODUCTION

The Bank will convene the AGM on Friday, May 22, 2020, a notice thereof is set out on pages 42 to 45 of this circular, at which resolutions will be proposed to approve the following items (1) to (14), and to receive the reports contained in items (15) to (21) set forth below:

- (1) 2019 Board of Directors' Report;
- (2) 2019 Board of Supervisors' Report;
- (3) 2019 Annual Report;
- (4) 2019 Annual Financial Statements;
- (5) 2020 Financial Budget;
- (6) 2019 Profit Distribution Plan;
- (7) Proposed amendments to the Measures for the Administration of the Equities;
- (8) Election of Mr. Zhang Jian as Director;
- (9) 2019 Report on Sannong Financial Services;
- (10) Estimated Annual Caps for Recurring Related Party Transactions in 2020;
- (11) Appointment of auditors;
- (12) General mandate to issue new shares;
- (13) Extension of the validity period for the initial public offering of RMB ordinary shares (A Shares) and the listing thereof; and
- (14) Extension of the validity period of the mandate to deal with matters relating to the initial public offering of RMB ordinary shares (A Shares) and the listing thereof.

The above resolutions have been considered and approved by the Board of Directors or the Board of Supervisors (as the case may be) and will be proposed at the AGM for consideration and approval in accordance with the Articles of Association. Items (1) to (11) shall be passed by way of ordinary resolutions, while items (12) to (14) shall be passed by way of special resolutions.

Matters to be reported at the 2019 AGM are as follows:

- (15) Opinions of independent non-executive Directors;

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- (16) Assessment results of performance of duties of the Bank's Directors for 2019;
- (17) Assessment results of performance of duties of the Bank's Supervisors for 2019;
- (18) Assessment results of performance of duties of the Bank's senior management for 2019;
- (19) Related party transactions of the Bank during 2019;
- (20) Changes in Directors, Supervisors and senior management of the Bank; and
- (21) Contribution to combat the COVID-19 outbreak.

The purpose of this circular is to set out the notice of the AGM and provide you with information necessary to enable you to make an informed decision on whether to vote for, against or abstain from voting on the resolutions to be proposed for consideration at the 2019 AGM.

II. MATTERS TO BE HANDLED AT THE AGM

1. 2019 Profit Distribution Plan

In accordance with the provisions of relevant laws and regulations, the annual profit distribution plan for the year ended December 31, 2019 proposed by the Board for consideration and approval at the AGM is as follows:

- (1) Approximately RMB0.66 billion will be appropriated to the statutory surplus reserve;
- (2) Approximately RMB1.32 billion will be appropriated to the general risk reserve;
- (3) Approximately RMB1.96 billion (inclusive of tax) in total, or RMB0.20 (inclusive of tax) per Share will be distributed to all Shareholders as cash dividend; and
- (4) Undistributed profit amounted to RMB19.31 billion.

If this proposal is approved at the 2019 AGM, the Bank will distribute dividends to the holders of Non-overseas Listed Shares and H Shares whose names appear on the register of members of the Bank on Thursday, June 4, 2020. The register of members of the Bank will be closed from Saturday, May 30, 2020 to Thursday, June 4, 2020 (both days inclusive), during which period no transfer of H Shares will be effected.

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In order to be entitled to the final dividends, holders of H Shares who have not registered their transfer documents are required to deposit such documents together with the relevant share certificates and other appropriate documents at the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, at or before 4:30 p.m. on Friday, May 29, 2020.

Such cash dividends are expected to be distributed to Shareholders on Monday, June 22, 2020.

The proposed dividends are denominated in RMB. Dividends payable to the holders of Non-overseas Listed Shares will be paid in RMB, while dividends payable to the holders of H Shares will be paid in Hong Kong dollars. The actual distribution amount in Hong Kong dollars will be calculated based on the average middle exchange rate of RMB to Hong Kong dollars of the five business days prior to the 2019 AGM (including the date of the 2019 AGM) announced by the People's Bank of China.

Matters concerning tax on dividends

According to the applicable provisions of the "Enterprise Income Tax Law of the People's Republic of China" and the "Individual Income Tax Law of the People's Republic of China" and its implementation rules, for the Non-overseas Listed Shares and the holding of the Bank's shares via Hong Kong Stock Connect, the Bank shall withhold and pay the individual income tax at the rate of 20% according to the national tax law for the dividends of natural person shareholders, while corporate shareholders shall make its own declaration in accordance with the requirements of the national tax law.

Taxes on dividend of H Shares are subject to the Hong Kong tax law.

According to the Enterprise Income Tax Law and its implementation rules, both effective on January 1, 2008, before distribution of dividends, the Bank shall withhold and pay the enterprise income tax at the rate of 10% for non-resident enterprise shareholders whose names appear on the Bank's register of members for H Shares.

According to the Notice on Issues Concerning Taxation and Administration of Individual Income Tax after the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348), the Bank shall withhold and pay individual income tax for individual holders of H Shares.

If the individual holders of H Shares are Hong Kong or Macau residents or residents of the countries or regions which have an agreed tax rate of 10% under the relevant tax treaties with the PRC, the Bank will withhold and pay individual income tax at the rate of 10% on behalf of such shareholders.

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If the individual holders of H Shares are residents of the countries or regions that have a tax rate lower than 10% under the tax treaties with the PRC, the Bank will withhold and pay individual income tax at the rate of 10% on behalf of such shareholders. If such shareholders claim refund of the amount in excess of the individual income tax payable under the tax treaties, the Bank can apply on behalf of such shareholders according to the relevant tax treaties for the relevant agreed preferential tax treatment, provided that the relevant shareholders submit the relevant documents and information in a timely manner required by the Administrative Rules on Enjoying Treatment under Taxation Treaties by Non-resident Taxpayers (State Administration of Taxation Announcement, 2015, No. 60) and the provisions of the relevant tax treaties. The Company will assist with the tax refund subject to approval of the competent tax authority.

If the individual holders of H Shares are residents of the countries or regions that have a tax rate higher than 10% but lower than 20% under the tax treaties with the PRC, the Bank will withhold and pay individual income tax at the applicable tax rates stated in such tax treaties on behalf of such shareholders.

If the individual holders of H shares are residents of the countries or regions that have a tax rate of 20% under the tax treaties with the PRC, or that have not entered into any tax treaties with the PRC, or otherwise, the Bank will withhold and pay individual income tax at the rate of 20% on behalf of such shareholders.

2. 2020 Financial Budget

Based on the needs of the Bank's strategic development and business expansion, the Bank plans to set a budget of capital expenditure amounting to approximately RMB1,021 million in 2020, which will be used for, among others, office premises, business outlets, machinery and equipment, science and technology projects, and security projects.

3. Proposed amendments to the Measures for the Administration of the Equities

In accordance with the Interim Measures for the Administration of the Equities of Commercial Banks (《商業銀行股權管理暫行辦法》), and the Notice on Issue of the Work Plan for Special Investigation of Shareholder Equity in Agricultural Cooperatives under the Supervision of the CBIRC Guangdong Bureau (《關於印發廣東銀保監局轄內農合機構股東股權專項排查工作方案的通知》) and the provisions relating to equity management set out in the Articles of Association, the Bank proposes to amend certain provisions of the current Measures for the Administration of the Equities with reference to the industry practices and its actual conditions. These amendments shall be subject to approval by way of ordinary resolution.

The full text of such amendments is set out in Appendix I to this circular.

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4. Election of Mr. Zhang Jian as Director

On December 30, 2019, the Board considered and approved the Proposal on the Election of Mr. Zhang Jian as a Candidate for Director.

The biographical details of Mr. Zhang Jian are set out below: Zhang Jian, male, born in June 1962, graduated from Jilin University and obtained an EMBA degree from Sun Yat-sen University and the qualification of economist. He now serves as deputy secretary of the party committee of Guangzhou Rural Commercial Bank. He had served as staff member and deputy section chief at the Taobei Sub-branch of Agricultural Bank of China in Baicheng, Jilin Province; staff member, deputy section chief and section chief of the Comprehensive Planning Division of Statistics Department of the Jilin Branch of Bank of China; deputy director of the Capital Planning Division of the Jilin Branch of Bank of China; deputy general manager and general manager of the office of Bank of Guangzhou; assistant to the president, secretary to the board of directors, deputy secretary of the discipline inspection commission and vice president of Guangzhou Bank, and president of Zhujiang Sub-branch of Guangzhou Bank; and deputy secretary of the party committee and director of Guangzhou State-owned Capital Operation Holdings Co., Ltd.

Mr. Zhang Jian did not hold any directorship in other listed public companies in the last three years or any other position with the Bank or its subsidiaries. In addition, Mr. Zhang Jian does not have any interest relationship with any Directors, senior management, substantial or controlling shareholders of the Bank. In addition, he does not have any interests in the shares of the Bank within the meaning of Part XV of the Securities and Future Ordinance.

Pursuant to the Articles of Association, a Director shall serve a term of three years and may serve consecutive terms if re-elected upon the expiry of his/her term. For the remuneration of the Directors, please refer to the Annual Report of the Bank.

Save as disclosed herein, there are no other matters relating to the election of Mr. Zhang Jian that need to be brought to the attention of the Shareholders nor is there any other information to be disclosed pursuant to any of the requirements of Rule 13.52(2) of the Listing Rules.

5. Estimated Annual Caps for Recurring Related Party Transactions in 2020

In accordance with the Administrative Measures for Related Party Transactions between Commercial Banks and Their Insiders or Shareholders (《商業銀行與內部人和股東關聯交易管理辦法》), the Interim Measures for the Administration of the Equities of Commercial Banks (《商業銀行股權管理暫行辦法》), the Notice of the Rural Banking Department of CBIRC on Strengthening Supervision over Related Party Transactions of Small and Medium Banking Institutions (《中國銀保監會農村銀行部關於加強中小銀行機構關聯交易監管的通知》) as well as the Bank's measures for managing related party transactions, the Bank estimates the annual caps for related party transactions expected to occur in the ordinary course of business in 2020 with reference to related party transactions conducted in 2019, changes in related

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parties and the actual needs of business development. The estimated annual caps shall be valid from the date on which this resolution is considered and approved at the AGM to the date on which the resolution on estimated annual caps for recurring related party transactions is considered and approved at the next general meeting of the Bank.

The details of the recurring related party transactions expected in 2020 are set out in Appendix II to this circular.

6. Appointment of Auditors

The Board proposes to appoint PricewaterhouseCoopers Zhongtian LLP (Special General Partnership) for auditing the 2020 annual financial statements (the generally accepted principles of the PRC), and PricewaterhouseCoopers for reviewing the 2020 interim financial statements (International Financial Reporting Standards) and auditing the 2020 annual financial statements (International Financial Reporting Standards), each for a term of office until the conclusion of the Bank's 2020 annual general meeting, and to authorize the Board to determine their service fees.

7. General Mandate to Issue New Shares

In order to meet the capital needs of the Bank for its continuous business development and to utilize financing platforms in a flexible and effective manner, pursuant to the applicable laws and regulations of the PRC, the Listing Rules and the Articles of Association, it is proposed at the AGM to grant a general mandate to the Board to issue H Shares and to authorize the Board to delegate such powers. As of the Latest Practicable Date, the Bank had a total of 1,820,335,000 H Shares in issue. Subject to the passing of the special resolution approving the general mandate to issue new Shares and assuming that no new H Shares will be issued prior to the date of the AGM, the Bank will be allowed to issue up to 364,067,000 H Shares under the general mandate.

The details of the general mandate are as follows:

7.1 The Specific Plan for the General Mandate to Issue New Shares

- (a) Subject to the conditions set out in (b) below, the Board is authorized to, either separately or simultaneously, approve, allot, issue, grant and/or otherwise dispose of the H Shares, securities convertible into H Shares, options or warrants of securities carrying the rights to subscribe for or convert into H Shares, or other securities carrying the rights to subscribe for or convert into H Shares (all excluding the Non-overseas Listed Shares, the same applies hereinafter) during the Relevant Period (as defined below).

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- (b) The number of H Shares to be approved, allotted, issued, granted and/or otherwise disposed of by the Board shall not exceed 20% of H Shares in issue at the date on which this resolution is passed at the AGM (among which, the number of H Shares converted shall be counted for the issuance of securities convertible into H Shares).

- (c) For the purpose of this resolution:

“Relevant Period” means the period from the date of passing of the resolution at the AGM until the earliest of:
 - (i) the conclusion of the next AGM of the Bank after the date of passing of this resolution;
 - (ii) the expiration of the 12-month period from the date of passing of this resolution; or
 - (iii) the date on which the mandate granted to the Board under this resolution is revoked or varied by a special resolution of the Shareholders of the Bank in a general meeting.

- (d) the Board is authorized to decide on the specific offering plan, including but not limited to:
 - (i) the class and number of H Shares to be issued;
 - (ii) the basis of price determination and/or issue price (including price range);
 - (iii) the starting and closing date of offering;
 - (iv) the use of proceeds;
 - (v) recommendation, agreements and share options to be made or granted for the exercise of the said power; and
 - (vi) other information to be contained in the specific offering plan as required by relevant laws and regulations, and other regulatory documents, relevant authorities and stock exchanges on which the Shares are listed.

- (e) the Board is authorized to implement the offering plan, deal with matters related to increase in the registered capital of the Bank, so as to reflect the H Shares authorized to be issued by the Bank under this resolution, and to make appropriate and necessary amendments to the Articles of Association in

LETTER FROM THE BOARD

relation to the offering of Shares and registered capital, and take such other actions and complete such other procedures that are necessary to give effect to the offering plan and for the completion of the increase in the registered capital of the Bank.

In exercising the authorization contained in items(d) and (e) above, the Board shall comply with the Listing Rules (including but not limited to Rules 13.36 and 19A.38 of the Listing Rules) and the relevant provisions of the applicable laws and regulations of the PRC concerning the offering of shares under general mandate.

7.2 Relevant Authorization Matters

In order to improve efficiency in decision-making, streamline internal approval procedures and take advantage of market opportunities, in respect of the general mandate to issue H Shares, it is proposed at the general meeting to approve and authorize the Board and its authorized persons to deal with the matters in connection with the general mandate to issue H Shares. The specific details of the mandate to be given to the authorized persons of the Board will be otherwise determined by the Board upon exercise of the general mandate under this resolution.

8. Extension of the validity period of the resolution on the initial public offering of RMB ordinary shares (A Shares) and the listing

The offering plan (the “**A Share Offering Plan**”) of the Bank for the initial public offering and listing of RMB ordinary shares (A Shares) (the “**A Share Offering**”) was approved at the First Extraordinary General Meeting of 2018, the First H Shareholders Class Meeting of 2018 and the First Non-overseas Listed Shareholders Class Meeting of 2018 held on September 6, 2018. As resolved at the 2018 annual general meeting held on May 24, 2019, the validity period of A Share Offering Plan was extended for 12 months to May 23, 2020, being 12 months from the date of approval at the 2018 annual general meeting.

Given that the 12-month validity period of the A Share Offering Plan will expire on May 23, 2020 and the Bank’s application for the A Share Offering is still in process, for the purpose of the successful completion of the A Share Offering, the Bank intends to extend the validity period of the A Share Offering Plan for 12 months up to May 21, 2021, i.e. 12 months from the date of approval at the 2019 AGM. Other contents of the A Share Offering Plan will remain unchanged.

Further details on the A Share Offering Plan is set out below:

8.1 The A Share Offering Plan

After the listing of the Bank’s H Shares on the Hong Kong Stock Exchange, in order to further broaden capital replenishment channels, optimize its corporate governance structure, enhance its core competitiveness, develop domestic and international financing platforms and improve the liquidity of Shares held by the Shareholders, the Bank

LETTER FROM THE BOARD

proposes to apply for an initial public offering and listing of A Shares. The plan as set out below has been prepared pursuant to the requirements of the relevant laws, regulations and regulatory documents, including the Company Law of the PRC, the Securities Law of the PRC, the Administrative Measures for Initial Public Offering and Listing of Shares issued by the CSRC and the Opinions of CSRC on Further Promoting the IPO System Reform. The Board has set out the following plan:

(a) *Class of Shares*

RMB ordinary Shares (A Shares)

(b) *Nominal value per Share*

RMB1.00

(c) *Proposed stock exchange for the listing*

The Shenzhen Stock Exchange

(d) *Offering size*

The offering size shall not be more than 1,596,694,878 Shares, representing no more than 14% of the total number of issued Shares after completion of the A Share Offering. The final number of Shares to be issued will be determined by the Board pursuant to the authorization by the Shareholders' general meeting with reference to the capital requirements of the Bank, the prevailing market conditions at the time of issuance and the Bank's communications with regulatory authorities. The A Share Offering will be conducted in accordance with Rules 13.36 (2) and 19A.38 of the Listing Rules and the relevant applicable laws and regulations of the PRC.

(e) *Target subscribers*

Target subscribers will be qualified price consultation participants and public investors (excluding those prohibited by national laws and regulations). Pursuant to the Measures for the Administration of Securities Issuance and Underwriting (《證券發行與承銷管理辦法》) issued by the CSRC, in connection with the A Share Offering, the Bank and the lead underwriter may negotiate to determine the conditions for participation in offline price consultations and may select the target subscribers among the offline investors who have made valid subscriptions under the A Share Offering based on the pre-determined placing principles, provided that no consultation or placement shall be made to those who are prohibited from participating in the placing under the Measures for the Administration of Securities Issuance and Underwriting (《證券發行與承銷管理辦法》).

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If any of the above target subscribers of the A Share Offering is a connected person of the Bank, such issue will be conditional upon and subject to compliance with the requirements under Chapter 14A of the Listing Rules, including announcement, reporting and independent Shareholders' approval requirements.

(f) Strategic placing

The Bank may carry out strategic placing at the time of the A Share Offering, as required, to investors who satisfy the requirements of laws and regulations and the development strategy of the Bank based on the needs for business cooperation and the size of financing. The specific placing ratio and target subscribers will be determined according to the Bank's communications with the regulatory authorities, the requirements of laws and regulations and subject to market conditions at the time of such placing.

(g) Mode of offering

The offering will be conducted through a combination of offline placement to price consultation participants and online subscription by investors, or through any other methods of offering as authorized by the CSRC.

(h) Pricing methodology

Taking into account the actual conditions of the capital markets and the Bank at the time of the A Share Offering, the issue price of the A Shares will be fixed through price consultations with offline investors or fixed directly through negotiations between the Bank and the lead underwriter, or by any other legally practicable methods.

When determining the issue price of the A Shares, the Bank will take into consideration (i) the operational and financial conditions of the Bank; (ii) the prevailing market conditions; (iii) market demand for the A Shares; (iv) the industry in which the Bank operates; (v) the requirements under the applicable laws and regulations; and (vi) the average price-to-earnings ratio of other A-share listed issuers in the same industry in which the Bank operates.

According to the requirements of the State-owned assets supervision and administration authority, the issue price of A Shares shall not be lower than the most recently audited net asset value per Share prior to the A Share Offering.

The audited net asset value per Share attributable to the shareholders of the parent was RMB5.97 in the annual report of the Bank and its subsidiaries prepared under the International Financial Reporting Standards for the year ended December 31, 2019 and therefore, the minimum price of the A Share Offering shall be no less than RMB5.97 per A Share.

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(i) *Form of underwriting*

The offering will be underwritten by an underwriting syndicate led by a lead underwriter on a standby commitment basis.

(j) *Conversion into a joint stock limited company with Non-overseas Listed Shares and H-Shares*

According to the A Share Offering Plan and taking into account the fact that the Bank has issued Shares in the H-share market, an application will be made to convert the Bank into a joint stock limited company with Non-overseas Listed Shares and H-Shares.

(k) *Accumulated undistributed profits*

Undistributed profit accumulated before the A Share Offering will be shared by new and existing Shareholders after the A Share Offering in proportion to their respective shareholdings.

(l) *Validity period of the offering plan*

The A Share Offering Plan is subject to approval by way of special resolution and shall be valid for 12 months from the passing of such special resolution.

The A Share Offering Plan is subject to approval of the regulatory authorities. Upon completion of the A Share Offering, the Non-overseas Listed Shares in issue will be converted into domestically listed shares.

8.2 *Authorization to Deal with Matters relating to the A Share Offering*

For the purposes of the A Share Offering, a resolution will be proposed by the Board at the AGM to authorize the Board and its authorized persons to, individually or jointly, determine and to deal with the matters in connection with the A Share Offering, including but not limited to:

- (a) amending and improving the plan for offering and listing and organizing its implementation based on the opinions of domestic and overseas regulatory authorities and with reference to market conditions, including but not limited to determining the specific offering size, offering price, the stock exchange for the listing, important undertakings of the Bank, potential strategic placing (including placing ratio and target subscribers), time and method of the offering, specific allocation for the use of proceeds, and other specific matters relating to the implementation of the plans on offering and listing; making corresponding adjustments (including the suspension and termination of the implementation of the offering plan) to matters relating to the arrangements on

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offering and listing as a result of changes in laws, regulations or regulatory documents with respect to A Share Offering, or changes in policies of regulatory authorities in relation to A Share Offering, or changes in market conditions, save for those matters required to be voted again at a general meeting under the requirements of the relevant laws, regulations, regulatory documents and the Articles of Association;

- (b) handling the procedures for the review and examination, registration, filing, approval and consent with domestic and overseas regulatory authorities in connection with matters relating to the A Share Offering according to A Share Offering Plan; signing, executing, amending and completing all necessary documents to be submitted to any governments, authorities, organizations and individuals inside or outside the PRC with respect to the A Share Offering; designating an account specifically for the holding of any proceeds prior to the A Share Offering, if required; issuing statements and undertakings relating to the offering and listing, and the taking of such steps as are necessary, expedient or appropriate with respect to the offering and listing;
- (c) drafting, amending, signing, submitting, publishing, disclosing, implementing, suspending or terminating any agreements, contracts, announcements, circulars or other documents relating to the offering and listing (including but not limited to the letter of intent, the prospectus, listing documents, sponsorship agreements, underwriting agreements, listing agreements, intermediary service agreements and others); engaging sponsors, underwriters, law firms, auditing firms, receiving banks and other intermediaries in connection with the offering and listing; determining and paying expenses relating to the offering and listing;
- (d) making any amendments to the Articles of Association and other corporate governance documents which have been considered and approved at general meetings and Board meetings and as amended by the Bank pursuant to domestic or foreign laws, regulations and other regulatory documents due to the needs of the offering and listing as a result of any changes in domestic or foreign laws, regulations and other regulatory documents and based on the requirements and advice of the relevant government agencies and regulatory authorities inside or outside the PRC, the issuance of offshore preference shares (if any), and the actual situation of the offering and listing; making corresponding amendments to the Articles of Association with respect to the registered capital and shareholding structure of the Bank and handling the filing for change and registration procedures with company registration authorities and other relevant government departments upon completion of the A Share Offering;
- (e) dealing with matters in relation to an application for the listing of A Shares on a securities exchange;

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- (f) handling the procedures in relation to the approval, filing and change of registration in connection with any change of the registered capital of the Bank with the CBIRC and its related institutions, the department in charge of industrial and commercial administration and other relevant regulatory authorities according to the actual situation of this offering;
- (g) handling any other matters which the Board thinks are necessary, expedient or appropriate for the offering and listing, subject to the relevant domestic and overseas laws and regulations; and
- (h) delegating other Directors or relevant persons to deal with, individually or jointly, any matters relating to the offering and listing as and when needed.

Such authorization shall be valid for a period of 12 months from the date of approval at the 2019 AGM.

8.3 Use of Proceeds from the A Share Offering

All of the proceeds from the A Share Offering (after deduction of offering expenses), will be used to replenish the Core Tier 1 capital of the Bank to enhance its capital adequacy ratio. The Bank also commissioned the Feasibility Analysis Report on the Use of Proceeds from the A Share Offering.

According to the Administrative Measures for the Capital of Commercial Banks (Provisional), the Bank is required to maintain a minimum Core Tier 1 capital adequacy ratio of 7.50%, a minimum Tier 1 capital adequacy ratio of 8.50%, and a minimum capital adequacy ratio of 10.50%. As at December 31, 2019, the Core Tier 1 capital adequacy ratio, the Tier 1 capital adequacy ratio and the capital adequacy ratio of the Bank and its subsidiaries were 9.96%, 11.65% and 14.23%, respectively.

The estimated gross proceeds to be raised from the A Share Offering are subject to various factors such as the conditions of the capital markets and the Bank at the time of the A Share Offering. Further details of the A Share Offering will be disclosed by the Bank in due course.

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8.4 Impact of the A Share Offering on the Shareholding Structure of the Bank

Assuming that a total of 1,596,694,878 A Shares are permitted to be issued under the A Share Offering, and there is no change in the share capital of the Bank prior to the completion of the A Share Offering, the shareholding structure of the Bank as at the Latest Practicable Date and immediately after the completion of the A Share Offering is set out as follows:

	As at the Latest Practicable Date		Immediately after the completion of the A Share Offering	
	Number of Shares	Approximate percentage of the Bank's issued share capital	Number of Shares	Approximate percentage of the Bank's issued share capital
<i>Non-overseas Listed Shares</i>				
Guangzhou Municipal People's Government ⁽¹⁾	1,786,589,712	18.215%	–	–
Directors and Supervisors				
Wang Jikang (resigned on July 19, 2019)	500,000	0.005%	–	–
Yi Xuefei	500,000	0.005%	–	–
Su Zhigang ⁽²⁾	60,020,000	0.612%	–	–
Zhu Kelin ⁽³⁾	1,201,000	0.012%	–	–
Shao Jianming ⁽⁴⁾ (resigned on August 14, 2019)	14,465,800	0.147%	–	–
Zhang Yongming ⁽⁵⁾ (resigned on November 27, 2019)	60,077,400	0.613%	–	–
Liu Guojie ⁽⁶⁾	20,000,000	0.204%	–	–
Zhang Dalin ⁽⁷⁾ (resigned on March 10, 2020)	6,201,000	0.063%	–	–
Mao Yunshi ⁽⁸⁾	1,201,000	0.012%	–	–
Shao Baohua ⁽⁹⁾	45,618,000	0.465%	–	–
Lai Jiexiong	452,224	0.005%	–	–
Other holders of Non- overseas Listed Shares ⁽¹⁾	5,991,107,403	61.082%	–	–
<i>A Shares</i>				
Guangzhou Municipal People's Government ⁽¹⁾	–	–	1,786,589,712	15.665%
Directors and Supervisors				
Wang Jikang (resigned on July 19, 2019)	–	–	500,000	0.004%
Yi Xuefei	–	–	500,000	0.004%
Su Zhigang ⁽²⁾	–	–	60,020,000	0.526%
Zhu Kelin ⁽³⁾	–	–	1,201,000	0.011%
Shao Jianming ⁽⁴⁾ (resigned on August 14, 2019)	–	–	14,465,800	0.127%

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	As at the Latest Practicable Date		Immediately after the completion of the A Share Offering	
	Number of Shares	Approximate percentage of the Bank's issued share capital	Number of Shares	Approximate percentage of the Bank's issued share capital
Zhang Yongming ⁽⁵⁾ (resigned on November 27, 2019)	–	–	60,077,400	0.527%
Liu Guojie ⁽⁶⁾	–	–	20,000,000	0.175%
Zhang Dalin ⁽⁷⁾ (resigned on March 10, 2020)	–	–	6,201,000	0.054%
Mao Yunshi ⁽⁸⁾	–	–	1,201,000	0.011%
Shao Baohua ⁽⁹⁾	–	–	45,618,000	0.400%
Lai Jiaxiong	–	–	452,224	0.004%
Other holders of Non- overseas Listed Shares ⁽¹⁰⁾	–	–	5,991,107,403	52.531%
H Shares⁽¹⁰⁾	1,820,335,000	18.559%	1,820,335,000	15.961%
New A Shares to be issued pursuant to the A Share Offering	–	–	1,596,694,878	14.00%
Total issued share capital	9,808,268,539	100.00%	11,404,963,417	100.00%

Notes:

- (1) These 1,786,589,712 Shares include 366,099,589 Shares directly held by Guangzhou Finance Holdings Group Co., Ltd. (廣州金融控股集團有限公司), 338,185,193 Shares directly held by Guangzhou Pearl River Enterprises Group Co., Ltd. (廣州珠江實業集團有限公司), 319,880,672 Shares directly held by Guangzhou Vanlead Group Co., Ltd. (廣州萬力集團有限公司), 310,728,411 Shares directly held by Guangzhou Radio Group Co., Ltd. (廣州無線電集團有限公司), 191,749,019 Shares directly held by Guangzhou Department Stores Enterprises Group Co., Ltd. (廣州百貨企業集團有限公司), 137,283,914 Shares directly held by Guangzhou Light Industry & Trade Group Co., Ltd. (廣州輕工工貿集團有限公司), 45,312,844 Shares directly held by Guangzhou Jinjun Investments Holding Co., Ltd. (廣州金駿投資控股有限公司), 33,405,752 Shares directly held by Guangzhou Lingnan International Enterprise Group Co., Ltd. (廣州嶺南國際企業集團有限公司), 18,304,522 Shares directly held by Guangzhou Guangyong State-owned Assets Management Co., Ltd. (廣州市廣永國有資產經營有限公司), 9,152,261 Shares directly held by Guangzhou Textiles Industry & Trade Holdings Ltd. (廣州紡織工貿企業集團有限公司), 7,052,469 Shares directly held by Guangzhou Port Group Co., Ltd. (廣州港集團有限公司), 9,152,261 Shares directly held by Guangzhou Hi-tech Investment Group Co., Ltd. (廣州高新區投資集團有限公司) and 282,805 Shares directly held by Guangzhou High-tech Zone Investment Group Co., Ltd. (廣州市雲埔工業區白雲實業發展總公司).
- (2) 60,020,000 Shares are held by Chimelong Group Co., Ltd. (廣州長隆集團有限公司) which is owned as to 87.14% by Mr. Su Zhigang.
- (3) Mr. Zhu Kelin's spouse directly holds 1,201,000 Shares.
- (4) Mr. Shao Jianming directly holds 405,800 Shares, and Guangzhou Haiyin Industrial Group Co., Ltd. (廣州海印實業集團有限公司), which is owned as to 65% by Mr. Shao Jianming, holds 14,060,000 Shares.
- (5) Mr. Zhang Yongming directly holds 11,067,400 Shares, and Beijing Tianyou Investment Co., Ltd. (北京天佑投資有限公司), which is owned as to 50% by Mr. Zhang Yongming, holds 49,010,000 Shares.

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- (6) 20,000,000 Shares are held by Guangzhou Haojin Motorcycle Co., Ltd. (廣州豪進摩托車股份有限公司) which is owned as to 99% by Mr. Liu Guojie.
- (7) Mr. Zhang Dalin directly holds 1,201,000 Shares, and 5,000,000 Shares are held by Guangzhou Fengle Fuel Co., Ltd. (廣州豐樂燃料有限公司) which is owned as to 84% by Mr. Zhang Dalin.
- (8) Mr. Mao Yunshi's spouse directly holds 1,201,000 Shares.
- (9) Mr. Shao Baohua directly holds 1,201,000 Shares, his spouse directly holds 2,407,000 Shares, and Guangzhou Huadu Huanyang Commerce and Trade Co., Ltd. (廣州市花都環洋商貿有限公司), which is owned as to 45.4% by Mr. Shao Baohua, holds 42,010,000 Shares.
- (10) To the best knowledge of the Bank, Shares held by other holders of Non-overseas Listed Shares and H Shareholders as at the Latest Practicable Date are all held by the public pursuant to Rule 8.24 of the Listing Rules.

Save as disclosed above, the Bank does not expect that any of the holders of A Shares will become a connected person of the Bank. The Bank has not conducted any fund raising activities involving issuance of share capital within the twelve months immediately preceding the date of this circular.

Pursuant to Rule 8.08(1)(a) of the Listing Rules, an issuer is required to maintain a minimum public float of at least 25% at all time. As part of the Bank's H Shares listing application in 2017, the Bank applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange granted, a waiver pursuant to Rule 8.08(1)(d) of the Listing Rules from strict compliance with the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules (the "**Waiver**"). Pursuant to the Waiver, the minimum percentage of the H Shares from time to time held by the public will be the highest of:

- (a) 15% of the total issued share capital of the Bank;
- (b) such percentage of H Shares held by the public immediately after completion of the global offering of the Bank's H Shares; or
- (c) such percentage of H Shares held by the public immediately after completion of the global offering of the Bank's H Shares and the exercise of the over-allotment option.

For further information on the Waiver, the completion of the global offering of the Bank's H Shares and the over-allotment option, please refer to the prospectus of the Bank dated June 8, 2017, and the announcements of the Bank dated June 19, 2017 and July 13, 2017, respectively.

As at the Latest Practicable Date, the public float of the Bank's H Shares was 18.56%. Based on information that is publicly available to the Bank and to the knowledge of the Directors, the Bank has maintained sufficient public float pursuant to the Waiver.

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Upon completion of the A Share Offering, the Bank's H Shares will constitute approximately 15.96% of the Bank's total issued share capital. Furthermore, all Non-overseas Listed Shares of the Bank will be converted to A Shares. Therefore, the securities of the Bank, comprising A Shares and H Shares, which will be/are listed on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange, respectively, held by the public will be able to satisfy the minimum public float requirement pursuant to Rule 8.08 of the Listing Rules and the Waiver will no longer be applicable and shall lapse. The Company undertakes that it will continue to comply with the minimum public float during the application for, and after the completion of, the A Share Offering.

8.5 Latest Developments of the A Share Offering

On March 15, 2019, the Bank submitted a complete set of application documents relating to the A Share Offering, including the Prospectus of Initial Public Offering (A Shares) of Guangzhou Rural Commercial Bank Co., Ltd., to the CSRC in accordance with the requirements of the Standards for the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public No. 9 – Application Documents for Initial Public Offering and Listing of Stocks and other relevant laws and regulations. The Bank has updated the Pre-Disclosure Documents on December 20, 2019. Upon the A Share Offering having been approved by the CSRC, the Bank will carry out the A Share Offering and go through listing registration and other procedures in accordance with the relevant rules and requirements of the CSRC, the Shenzhen Stock Exchange and China Securities Depository and Clearing Corporation Limited. The Bank is making active efforts to proceed with the A Share Offering. Currently, the A Share Offering is at the pre-disclosure update stage and its progress is in line with the expectation. The specific time table of listing depends on the review and approval of the CSRC and the conditions of A-share market.

9. Extension of the validity period of the mandate by general meeting to authorize the Board and its authorized persons to deal with at its/their discretion the matters relating to the initial public offering of RMB ordinary shares (A Shares) and the listing

The authorization for the Bank's the initial public offering and listing of RMB ordinary shares (A Shares) was approved at the First Extraordinary General Meeting of 2018, the First H Shareholders Class Meeting of 2018 and the First Class Meeting for Non-overseas Listed Shareholders of 2018 held on September 6, 2018. As resolved at the 2018 annual general meeting held on May 24, 2019, the validity period of the authorization for A Share Offering was extended for 12 months to May 23, 2020, being 12 months from the date of approval at the 2018 annual general meeting.

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Given that the validity period of 12 months specified under the authorization for A Share Offering will expire on May 23, 2020 and the Bank's application for the A Share Offering is still in process, for the purpose of the successful completion of the A Share Offering, the Bank intends to extend the validity period of the authorization for A Share Offering for 12 months up to May 21, 2021, i.e. 12 months from the date of approval at the 2019 AGM. Other contents of the authorization for A Share Offering will remain unchanged.

10. Others

For further information on the other resolutions to be proposed at the AGM, please refer to the 2019 annual report published by the Bank.

III. THE AGM

The AGM will be held at 13F, No. 1 Huaxia Road, Pearl River New Town, Tianhe District, Guangzhou, Guangdong Province, the PRC at 9:30 a.m. on Friday, May 22, 2020 to consider and, if thought fit, to pass resolutions in respect of the matters set out in the notice of AGM. A notice dated Tuesday, April 7, 2020 convening the AGM together with the relevant form of proxy and the reply slip have been despatched to the Shareholders in accordance with the Listing Rules.

Whether or not you intend to attend and/or vote at the AGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon. If you intend to attend the AGM, you are required to complete and return the accompanying reply slip to the H Share Registrar on or before Saturday, May 2, 2020.

Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or at any adjournment thereof (as the case may be) should you so wish, and completion and return of the reply slip do not affect the right of a Shareholder to attend and vote at the meeting.

IV. METHODS OF VOTING AT THE AGM

Pursuant to the requirements of Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the AGM shall be taken by the way of poll.

Please be advised that pursuant to the Articles of Association, where a Shareholder has failed to repay a loan from or pledged 50% or more of his/her equity interests in the Bank, the voting rights of such Shareholder at general meetings shall be subject to restrictions.

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V. CLOSURE OF THE REGISTER OF MEMBERS AND THE ELIGIBILITY FOR ATTENDING AND VOTING AT THE AGM

Holders of H Shares of the Bank are advised that the register of members of the Bank will be closed from Wednesday, April 22, 2020 to Friday, May 22, 2020 (both days inclusive), during which time no transfer of H Shares of the Bank will be effected or registered.

In order to qualify for attending and voting at the AGM, instruments of transfer accompanied by share certificates and other appropriate documents must be lodged with the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by 4:30 p.m. on Tuesday, April 21, 2020.

Shareholders whose names appear on the register of members of the Bank at the close of business on Tuesday, April 21, 2020 are entitled to attend and vote at the AGM.

VI. RECOMMENDATION

The Board (including the independent non-executive Directors) considers that the ordinary and special resolutions to be proposed at the AGM are in the interests of the Bank and the Shareholders as a whole. Accordingly, the Board recommends that the Shareholders vote in favor of all resolutions to be proposed at the AGM.

By Order of the Board
Guangzhou Rural Commercial Bank Co., Ltd.*
Yi Xuefei
Vice Chairman

* *The Bank is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.*

**Comparison Table of Amendments to the Measures for
the Administration of the Equities (Revision 2019) of
Guangzhou Rural Commercial Bank Co., Ltd.**

Notes:

1. “CBRC Notice on Enhanced Management of Pledge of Equity Interest in Commercial Bank”, referred to as the “Notice on Pledge”;
2. “Property Law of the People’s Republic of China”, referred to as the “Property Law”;
3. The consolidation of articles, renumbering of articles and the changes to the cross references are not contained in this comparison table.

Original Provisions	New Provisions	Basis of Amendment
<p>Article 9 The substantial Shareholders of the commercial bank shall not transfer their equities within five years from the date on which they obtain the equities (other than such special circumstances as banking regulatory authorities approving them to take steps to control risks or ordering them to transfer their equities, or their equities being subject to law enforcement, or their equities being transferred between entities under the control of the same investor). A substantial shareholder refers to a shareholder who holds or controls 5% or more of the shares or voting rights of the bank, or holds less than 5% of the total shares of the bank but exerts a significant influence on the operation and management of the bank; “significant influence” mentioned above refers to the impact on the Bank’s financial status and operation and management exerted by personnel including but no limited to dispatched directors, supervisors or senior managers in the bank by contracting or other means, or other circumstances defined by CBRC or other dispatching institutions.</p>	<p>Article 9 The substantial Shareholders of the commercial bankBank shall not transfer their equities within five years from the date on which they obtain the equities (other than such special circumstances as banking regulatory authorities approving them to take steps to control risks or ordering them to transfer their equities, or their equities being subject to law enforcement, or their equities being transferred between entities under the control of the same investor). A substantial shareholder refers to a shareholder who holds or controls 5% or more of the shares or voting rights of the bank Bank, or holds less than 5% of the total shares of the bank Bank but exerts a significant influence on the operation and management of the bank Bank; “significant influence” mentioned above refers to the impact on the Bank’s financial status and operation and management exerted by personnel including but no limited to dispatched directors, supervisors or senior managers in the bankBank by contracting or other means, or other circumstances defined by CBRC or other dispatching institutions.</p>	Amended as per actuality.

Original Provisions	New Provisions	Basis of Amendment
<p>Article 31 The operation of the pledge (release) of Domestic Shares shall be internally reviewed and registered by the Bank in advance. Applicants shall go to CSDC to complete the operation of transfer and registration after completing the formalities in the Bank; where there is a change during the period of pledge and at the time of handling the registration of release, the application for changing/release shall be made by the pledgee. When the holders of Domestic Shares of the Bank conduct the external pledge guarantee for itself or others with the Domestic Shares of the Bank, and the registration formalities of the pledge have not been handled with the Bank and CSDC in accordance with the relevant regulations, the pledge guarantee shall not be against the third party, and the disputes arising between the Shareholders, the pledgee and the third party shall be liable to the Shareholders, while the Bank and CSDC shall bear no responsibility.</p>	<p>Article 31 The operation of the pledge (release) of Domestic Shares shall be internally reviewed and registered by the Bank in advance. Applicants shall go to CSDC to complete the operation of transfer and registration after completing the formalities in the Bank; where there is a change during the period of pledge and at the time of handling the registration of release, the application for changing/release shall be made by the pledgee. When the holders of Domestic Shares of the Bank conduct the external pledge guarantee for itself or others with the Domestic Shares of the Bank, and the registration formalities of the pledge have not been handled with the Bank and CSDC in accordance with the relevant regulations, <u>the right of pledge has not been established for</u> the pledge guarantee shall not be against the third party, and the disputes arising between the Shareholders, the pledgee and the third party shall be liable to the Shareholders, while the Bank and CSDC shall bear no responsibility.</p>	<p>Property Law Article 226 As for the pledge of fund units or stock rights, the parties concerned shall conclude a written contract. As for the pledge of fund units or the stock rights registered in the securities depository and clearing institution, the right of pledge shall be established after the securities depository and clearing institution has registered the pledge. As for the pledge of other stock rights, the rights of pledge shall be established after the administrative department for industry and commerce has registered the pledge.</p>

Original Provisions	New Provisions	Basis of Amendment
<p>Article 32 In any of the following circumstances, the Bank shall disclose information through quarterly reports, annual reports, and equity centralized escrow institutions etc., in a timely manner, and report the relevant information to the banking regulatory authority within 10 days after any of the following circumstances occurs:</p> <p>(1) where the equity pledged reaches or exceeds 20% of the Bank's total equity;</p> <p>(2) where a substantial shareholder pledges 50% or more of his equity interests in the Bank;</p> <p>(3) where the Bank's pledged equity are subject to freezing, judicial auctions and legal restrictions on voting rights or subject to other rights restrictions.</p>	<p>Article 32 In any of the following circumstances, the Bank shall disclose information through quarterly reports, annual reports, <u>regular reports</u> and equity centralized escrow institutions etc., in a timely manner, and report the relevant information to the banking regulatory authority within 10 days after any of the following circumstances occurs:</p> <p>(1) where the equity pledged reaches or exceeds 20% of the Bank's total equity;</p> <p>(2) where a substantial shareholder pledges 50% or more of his equity interests in the Bank;</p> <p>(3) where the Bank's pledged equity are subject to freezing, judicial auctions and legal restrictions on voting rights or subject to other rights restrictions.</p>	<p>Notice on Pledge</p> <p>5. commercial banks shall implement more normative equity management and make pledge of equity more transparent by strengthening the IT information system construction, establishing ledger for monitoring equity pledge management and entrusting the equity to qualified equity trustee institution for management all together as appropriate.</p> <p>In any of the following circumstances, commercial banks shall disclose information through quarterly reports, annual reports, and equity centralized escrow institutions etc., in a timely manner; commercial banks shall report the relevant information to the banking regulatory authority within 10 days after any of the following circumstances occurs; banking regulatory authority has the right to take regulatory measures against the a bank for the risks and impacts it causes in the light of the following</p> <p>.....</p> <p>Amended as per the fact that the Bank does not disclose quarterly reports.</p>

Original Provisions	New Provisions	Basis of Amendment
<p align="center">Chapter 5 Equity Freeze</p>	<p align="center">Chapter 5 Judicial Freeze of Equity Freeze</p>	
<p>Article 36 The scope of the equity freeze business of Domestic Shares handles by the Bank includes:</p> <p>(1) The Shareholders of the Bank freeze the equity by providing the pledge guarantee for their own or others' debts with the equity of the Bank;</p> <p>(2) internal freeze, which the Shareholders of the Bank agreed to freeze the equity of the Bank held by them as an auxiliary risk control measure for their own or others to credit the Bank;</p> <p>(3) State authorities such as courts, procuratorate etc., freeze the equity of the Bank held by Shareholders in accordance with the law.</p> <p>(4) Other circumstances need to freeze equity.</p>	<p>Article 36 The scope of the equity freeze business of Domestic Shares handles by the Bank includes:</p> <p>(1) The Shareholders of the Bank freeze the equity by providing the pledge guarantee for their own or others' debts with the equity of the Bank;</p> <p>(2) internal freeze, which the Shareholders of the Bank agreed to freeze the equity of the Bank held by them as an auxiliary risk control measure for their own or others to credit the Bank;</p> <p>(3)(1) State authorities such as courts, procuratorate etc., freeze the equity of the Bank held by Shareholders in accordance with the law.</p> <p>(4)(2) Other circumstances need to freeze equity.</p>	<p>As a mere supplemental approach for credit enhancement, internal freezing will not cause the transfer of ownership. Amended as per opinions of the regulatory authorities and the actuality of the Bank.</p>
<p>Article 37 For Domestic Shares that have been frozen by the authorities, shall not apply for equity pledge registration or internal freezing before the release of the freeze.</p>	<p>Article 37 For Domestic Shares that have been frozen by the authorities shall not apply for equity pledge registration or internal freezing before the release of the freeze.</p>	<p>Amended as per opinions of the regulatory authorities and the actuality of the Bank.</p>
<p>Article 38 For Domestic Shares that has been internally frozen, where a state authority freezes in accordance with law, the Bank shall first release the internal freeze and assist the state authority in carrying out the equity freeze according to law.</p>	<p>Article 38 For Domestic Shares that has been internally frozen, where a state authority freezes in accordance with law, the Bank shall first release the internal freeze and assist the state authority in carrying out the equity freeze according to law. This article shall be deleted.</p>	<p>Amended as per opinions of the regulatory authorities and the actuality of the Bank.</p>
<p>Article 40 Upon the debtor paid off the debt, where the Shareholders require to release the frozen equity of Domestic Shares, the authority require to release the frozen equity in accordance with law, or other circumstances to the release of frozen equity occurs, the Bank shall process the formalities of releasing the freezing in accordance with the relevant operating rules.</p>	<p>Article 39 Upon the debtor paid off the debt, wWhere the Shareholders require to release the frozen equity of Domestic Shares <u>is required to be released</u>, the authority require to release the frozen equity in accordance with law, or other circumstances to the release of frozen equity occurs, the Bank shall process the formalities of releasing the freezing in accordance with the relevant operating rules.</p>	<p>Amended as per opinions of the regulatory authorities and the actuality of the Bank.</p>

Original Provisions	New Provisions	Basis of Amendment
<p>Article 45 The Measures shall become effective after being reviewed and approved by the Shareholders' meeting of the Bank. The original Measures for the Administration of the Equities of Guangzhou Rural Commercial Bank Co. Ltd. (Revision 2016) will be abolished simultaneously.</p>	<p>Article 44 The Measures shall become effective after being reviewed and approved by the Shareholders' meeting of the Bank. The original Measures for the Administration of the Equities of Guangzhou Rural Commercial Bank Co. Ltd. (Revision 2016) <u>Measures for the Administration of the Equities of Guangzhou Rural Commercial Bank Co. Ltd. (Revision 2018) and the Measures for the Administration of the Equity Pledge Registration of Guangzhou Rural Commercial Bank Co. Ltd.</u> will be abolished simultaneously.</p>	<p>As the essence of constitutional documents concerning pledge registration management of commercial banks as required by the regulatory authorities has been brought in the Measures, the existing administrative measures of equity pledge registration will lapse correspondingly.</p>
<p>Article 46 Where the Measures collide with any future state law and regulation or the Articles of Association as amended according to statutory procedures, or in the light of the listing of the Bank and at the request of regulatory authorities, the Bank may make amendments to the Measures in accordance with relevant state laws and regulations as well as the Articles of Association of the Bank; in addition, where there is any policy adjustment or any change to relevant stipulations of competent administrative departments, the Board of Directors of the Bank may made provisional adjustments to the Measures.</p>	<p>Article 46 Where the Measures collide with any future state law and regulation or the Articles of Association as amended according to statutory procedures, or in the light of the listing of the Bank and at the request of regulatory authorities, the Bank may make amendments to the Measures in accordance with relevant state laws and regulations as well as the Articles of Association of the Bank; in addition, where there is any policy adjustment or any change to relevant stipulations of competent administrative departments, the Board of Directors of the Bank may made provisional adjustments to the Measures.</p>	<p>According to the provisions of the Articles of Association of the Bank, the shareholders' general meeting shall have the authority to make amendments to the Measures for the Administration of the Equities.</p>

In order to strengthen the management of related party transactions of the Bank and prevent the risks associated with related party transactions, the Bank has estimated the annual caps for recurring related party transactions in 2020 in accordance with the Administrative Measures for Related Party Transactions between Commercial Banks and Their Insiders or Shareholders (《商業銀行與內部人和股東關聯交易管理辦法》) and the Notice of the Rural Banking Department of CBIRC on Strengthening Supervision over Related Party Transactions of Small and Medium Banking Institutions (《中國銀保監會農村銀行部關於加強中小銀行機構關聯交易監管的通知》) as well as the Bank's measures for managing related party transactions, the details of which are set out below.

I. OVERVIEW OF RELATED PARTY TRANSACTIONS

The recurring related party transactions of the Bank refer to the transfer of resources or obligations between the Bank and its related parties, mainly including the Bank's credit granting, asset transfer and provision of services with related natural persons in the course of day-to-day operations.

The recurring related party transactions expected to be conducted in 2020 are normal business activities within the scope of business of the Bank, and the annual caps estimated for and substance of such transactions are based on the Bank's existing partnership with relevant related parties and the future needs of business development and are conducive to fully exploiting the resource advantages of high-quality related-party customers and facilitating the Bank's business expansion. Such estimated annual caps do not constitute the Bank's commitment to granting credit facilities to or entering into transactions with customers. Any related party transaction within relevant estimated cap, when being entered into, shall be subject to review and approval in accordance with the relevant requirements.

Transactions between the Bank and its related parties are conducted following the principle of market-based pricing and are carried out on terms no more favorable than those of similar transactions available to non-related parties. These transactions do not involve tunneling of interests or price manipulation, do no harm to the interests of the Bank and its Shareholders, conform to the principle of fairness under the requirements on management of related party transactions, do not affect the independence of the Bank, and have no adverse impact on the Bank's ability to continue as a going concern, profits and losses, and asset conditions.

II. BASIC INFORMATION OF ESTIMATED ANNUAL CAPS FOR RECURRING
RELATED PARTY TRANSACTIONS*Unit: RMB in millions*

NO.	Related parties	Type of transaction	Balance of annual cap for 2019	Estimated annual cap for 2020
1	Guangzhou Finance Holdings Group Co., Ltd. and its affiliates	Corporate credit granting business	525	4,183
		Interbank credit granting business	64,200	206,375
		Non-credit granting business	67,830.09	240,012
2	Guangzhou Chimelong Group Co., Ltd. and its affiliates	Corporate credit granting business	7,253	30,000
		Non-credit granting business	/	40
3	Guangdong Pearl River Investment Co., Ltd. and its affiliates	Corporate credit granting business	1,745	9,950
		Interbank credit granting business	6,400	50,000
		Non-credit granting business	3.32	8
4	Guangdong Pearl River Investment Management Group Co., Ltd. and its affiliates	Corporate credit granting business	1,070	3,070
		Non-credit granting business	/	3.5
5	Hopson Development Holdings Limited and its affiliates	Corporate credit granting business	1,715	8,275
6	Guangzhou Haojin Motorcycle Co., Ltd. and its affiliates	Corporate credit granting business	1,363	3,000
		Non-credit granting business	/	10
7	Guangzhou Vanlead Group Co., Ltd. and its affiliates	Corporate credit granting business	805	2,705
		Non-credit granting business	0.1	20.5

APPENDIX II

ESTIMATED ANNUAL CAPS FOR RECURRING
RELATED PARTY TRANSACTIONS IN 2020

NO.	Related parties	Type of transaction	Balance of annual cap for 2019	Estimated annual cap for 2020
8	Guangzhou Fengle Fuel Co., Ltd. and its affiliates	Corporate credit granting business	2,534	6,100
		Non-credit granting business	/	15
9	Guangzhou College of Technology and Business and its affiliates	Corporate credit granting business	616	1,425
		Non-credit granting business	50	106
10	China Southern Asset Management Co., Ltd.	Interbank credit granting business	88,230	140,000
		Non-credit granting business	00.46	2
11	Jiangmen Rural Commercial Bank Company Limited	Non-credit granting business	/	2,000
12	Guangzhou Municipal Construction Group Co. Ltd.	Corporate credit granting business	/	3,000
		Non-credit granting business	/	1
13	Hunan Zhuzhou Zhujiang Rural Commercial Bank Co.,Ltd.	Non-credit granting business	/	2,000
14	Chaozhou Rural Commercial Bank Co., Ltd.	Non-credit granting business	/	2,000
15	Zhujiang Financial Leasing Co., Ltd.	Interbank credit granting business	/	2,000
		Non-credit granting business	/	2,001
16	Related natural persons	Credit granting business	258.32	354.89
		Non-credit granting business	217.2	454

Notes:

1. In terms of interbank credit granting business, bond repurchases, interbank lending and other transactions shall be calculated on a cumulative basis.
2. In terms of non-credit granting business, spot transactions of bonds and other transactions shall be calculated on a cumulative basis.

III. BASIC INFORMATION OF RELATED PARTIES

(I) Related corporate persons

1. *Guangzhou Finance Holdings Group Co., Ltd.* (廣州金融控股集團有限公司)

Date of establishment	December 2006	Registered capital	RMB6,370,956,500
Relationship with the Bank	Substantial shareholder who has appointed director to the Bank		
Basic information	<p>Scope of business: operation of private capital; assets management; investment advisory services; investment management services, etc.</p> <p>As at the end of September 2019, the company had total assets of RMB608,763 million, and total liabilities of RMB553,170 million, with a gearing ratio of 90.86% and owners' equity amounting to RMB55,593 million; and recorded operating income of RMB12,664 million and net profit of RMB2,805 million.</p>		

2. *Legend Financial Leasing Co., Ltd.* (立根融資租賃有限公司)

Date of establishment	March 2013	Registered capital	RMB1,800 million
Relationship with the Bank	A related party Guangzhou Finance Holdings Group Co., Ltd., a substantial shareholder of the Bank		
Basic information	<p>Scope of business: financial leasing services; rental business; purchase of domestic and overseas leased assets, maintenance and disposal of residual value of leased assets; leasing transaction consultation and guarantee, etc.</p> <p>As at 30 September 2019, the company had total assets of RMB11,903 million, and total liabilities of RMB9,548 million, with a gearing ratio of 80.22% and owners' equity amounting to RMB2,350 million; and recorded operating income of RMB606 million and net profit of RMB109 million.</p>		

3. *Bank of Guangzhou Co., Ltd.* (廣州銀行股份有限公司)

Date of establishment	September 1996	Registered capital	RMB11,775,717,080
Relationship with the Bank	A related party of Guangzhou Finance Holdings Group Co., Ltd., a substantial shareholder of the Bank		
Basic information	<p>Scope of business: public deposits taking; money lending; clearing and settlement; bills acceptance and discounting; issue, agent and underwriting services of bonds; trading of foreign exchange; and other business activities as approved by the banking regulatory authority and other regulatory authorities.</p> <p>Bank of Guangzhou Co., Ltd, as an interbank bond market player and a trial market maker, has in store enormous cooperation room for the Bank in respect of spot transactions of bonds.</p> <p>As at the end of June 2019, the company had total assets of RMB530,037 million, and total liabilities of RMB491,513 million, with a gearing ratio of 92.73% and owners' equity amounting to RMB38,523 million; and recorded operating income of RMB5,803 million and net profit of RMB2,054 million.</p>		

4. *Wanlian Securities Co., Ltd.* (萬聯證券股份有限公司)

Date of establishment	August 2001	Registered capital	RMB5,954,264,000
Relationship with the Bank	A related party of Guangzhou Finance Holdings Group Co., Ltd., a substantial shareholder of the Bank		
Basic information	<p>Scope of business: trading of securities (including domestically listed foreign shares) on behalf of clients; principal and interest repayment and dividends payment for securities on behalf of clients; securities custodial services, authentication of share certificates; account opening and registration on behalf of clients; proprietary trading in securities, securities underwriting (including acting as a lead underwriter), securities investment consulting (including financial advisory); other business activities approved by the CSRC.</p> <p>Wanlian Securities Co., Ltd., as an interbank bond market player and a trial market maker, has in store enormous cooperation room for the Bank in respect of spot transactions of bonds.</p> <p>As at the end of March 2019, the company had total assets of RMB37,825 million, and total liabilities of RMB27,037 million, with a gearing ratio of 71.48%; and its owners' equity amounted to RMB10,788 million.</p>		

5. *Guangzhou Chimelong Group Co., Ltd.* (廣州長隆集團有限公司)

Date of establishment	September 2000	Registered capital	RMB110 million
Relationship with the Bank	Substantial shareholder who has appointed director to the Bank		
Basic information	<p>Scope of business: tourism, business service, operation of parks, scenic spots, playgrounds, hotels, performing arts venues, wildlife protection, etc.</p> <p>As at the end of September 2019, the company had total assets of RMB28,770 million, and total liabilities of RMB20,280 million, with a gearing ratio of 70% and owners' equity amounting to RMB8,490 million; and recorded operating income of RMB4,401 million and net profit of RMB1,200 million.</p>		

6. *Zhuhai Chimelong Investment & Development Co., Ltd.* (珠海長隆投資發展有限公司)

Date of establishment	November 2008	Registered capital	RMB800 million
Relationship with the Bank	A related party of Guangzhou Chimelong Group Co., Ltd., a the substantial shareholder of the Bank		
Basic information	<p>Scope of business: investment in tourism projects, commercial wholesale and retail, domestication and breeding of wild animals, amusement parks and hotel management, etc.</p> <p>As at the end of September 2019, the company had total assets of RMB20,048 million, and total liabilities of RMB19,579 million, with a gearing ratio of 97.66% and owners' equity amounting to RMB468 million; and recorded operating income of RMB3,605 million and net profit of RMB369 million.</p>		

7. *Guangdong Pearl River Investment Co., Ltd.* (廣東珠江投資股份有限公司)

Date of establishment	February 1993	Registered capital	RMB4,200 million
Relationship with the Bank	A related party of Guangdong Pearl River Road and Bridge Investment Co., Ltd., a substantial shareholder of the Bank		
Basic information	<p>Scope of business: real estate project investment and consultation on investment business, information services, devising investment project and organizing relevant academic activities; sale of hardware and electrical materials, building materials, general merchandise, daily household supplies; real estate development.</p> <p>As at the end of September 2019, the company had total assets of RMB175,445 million, and total liabilities of RMB133,855 million, with a gearing ratio of 76.29% and owners' equity amounting to RMB41,590 million; and recorded operating income of RMB5,643 million and net profit of RMB206 million.</p>		

8. *Guangdong Pearl River Investment Management Group Co., Ltd.* (廣東珠江投資管理集團有限公司)

Date of establishment	June 2008	Registered capital	RMB500 million
Relationship with the Bank	A related party of Guangdong Pearl River Road and Bridge Investment Co., Ltd., a substantial shareholder of the Bank		
Basic information	<p>Scope of business: equity investment; industrial investment; asset management; financial advisory and investment consulting services.</p> <p>As at the end of September 2019, the company had total assets of RMB50,139 million, and total liabilities of RMB34,634 million, with a gearing ratio of 69% and owners' equity amounting to RMB15,505 million; and recorded operating income of RMB5,325 million and net profit of RMB578 million.</p>		

9. *Pearl River Life Insurance Co., Ltd.* (珠江人壽保險股份有限公司)

Date of establishment	September 2012	Registered capital	RMB6,700 million
Relationship with the Bank	A related party of Guangdong Pearl River Road and Bridge Investment Co., Ltd., a substantial shareholder of the Bank		
Basic information	<p>Scope of business: life insurance, health insurance, accident insurance and other types of personal insurance businesses; reinsurance of the abovementioned businesses; the use of insurance funds as permitted by the state laws and regulations; other businesses as approved by China Insurance Regulatory Commission.</p> <p>As at the end of September 2019, the company had total assets of RMB78,326 million, and total liabilities of RMB71,761 million, with a gearing ratio of 91.62% and owners' equity amounting to RMB6,565 million; and recorded operating income of RMB6,226 million and net profit of RMB-199 million.</p>		

10. *Guangdong Hechuang General Contracting Co., Ltd.* (廣東合創工程總承包有限公司)

Date of establishment	December 2007	Registered capital	RMB200 million
Relationship with the Bank	A related party of Guangdong Pearl River Road and Bridge Investment Co., Ltd., a substantial shareholder of the Bank		
Basic information	<p>Scope of business: general contracting of housing project construction, general contracting of municipal public works, professional contracting of property fitting-out and decoration projects, urban gardening and landscaping.</p> <p>As at the end of June 2019, Hopson Development Holdings Limited recorded in its consolidated financial statement total assets of HKD184,823 million, and total liabilities of HKD114,877 million, with a gearing ratio of 62.15% and owners' equity amounting to HKD67,190 million; and recorded operating income of HKD7,222 million and net profit of HKD2,700 million.</p>		

11. *Guangzhou Hopson Longtai Industry Co., Ltd.* (廣州合生隆泰實業有限公司)

Date of establishment	August 2018	Registered capital	RMB100 million
Relationship with the Bank	A related party of Guangdong Pearl River Road and Bridge Investment Co., Ltd., a substantial shareholder of the Bank		
Basic information	<p>Scope of business: real estate development and operation; business activities in relation to self-owned real estates; house renting, lease of venues (excluding warehousing), building demolition services, property management; real estate agency, real estate consultation, post-construction decoration, renovation and cleanup; interior decoration and refurbishing; housing project construction; management of corporate headquarters; hotel management, business management services (excluding items subject to licensing).</p> <p>As at the end of June 2019, Hopson Development Holdings Limited recorded in its consolidated financial statement total assets of HKD184,823 million, and total liabilities of HKD114,877 million, with a gearing ratio of 62.15% and owners' equity amounting to HKD67,190 million; and recorded operating income of HKD7,222 million and net profit of HKD2,700 million.</p>		

12. *Guangzhou Haojin Motorcycle Co., Ltd.* (廣州豪進摩托車股份有限公司)

Date of establishment	April 2001	Registered capital	RMB100 million
Relationship with the Bank	Substantial shareholder who has appointed director and supervisor to the Bank		
Basic information	<p>Scope of business: manufacturing and sales of motorcycles and accessories under Haojin and Lingken brands; export of self-manufactured products and related technologies, and import and export of raw and auxiliary materials, machinery and equipment, instruments and meters, spare parts and related technologies required for its manufacturing and scientific research activities(excluding those commodities and technologies that restricted by the state for operation or those prohibited from import and export); operation of various trading businesses.</p> <p>As at the end of October 2019, the company had total assets of RMB1,800 million, and total liabilities of RMB868 million, with a gearing ratio of 48% and owners' equity amounting to RMB934 million; and recorded operating income of RMB1,686 million and net profit of RMB81 million.</p>		

13. *Guangzhou Vanlead Group Co., Ltd.* (廣州萬力集團有限公司)

Date of establishment	December 2001	Registered capital	RMB2,170 million
Relationship with the Bank	Substantial shareholder who has appointed director to the Bank		
Basic information	<p>Scope of business: dispatch of workforce; cooperating with overseas labor services; tyre manufacturing (operated by its branches only); manufacturing of recycled rubber, manufacturing of rubber products for daily and medical uses (operated by its branches only); inorganic salt manufacturing (operated by its branches only); corporate headquarters management; technology agency services; venue leasing; paint and coating manufacturing; trading agency, etc.</p> <p>As at the end of October 2019, the company had total assets of RMB33,536 million, and total liabilities of RMB24,496 million, with a gearing ratio of 73.04% and owners' equity amounting to RMB3,216 million; and recorded operating income of RMB12,404 million and net profit of RMB-133 million.</p>		

14. *Sunward Intelligent Equipment Co., Ltd.* (山河智能裝備股份有限公司)

Date of establishment	July 1999	Registered capital	RMB1,088,108,460
Relationship with the Bank	A related party of Guangzhou Vanlead Group Co., Ltd., a substantial shareholder of the Bank		
Basic information	<p>Scope of business: research, design, production and sales of construction machinery, engineering machinery, agricultural machinery, forestry machinery, mining machinery, lifting machinery, unmanned aerial vehicles (excluding civil aircraft engines and propellers), in-plant motor vehicles and other high-tech electromechanical mechatronic products and their engines, hydraulic systems (excluding special-purpose equipment), electronic control systems and accessories; provision of leasing of machinery and equipment, after-sales services and related technical consulting services; road transportation operations; import and export of goods and technologies (business activities involving items subject to approval as per laws shall not be carried out until approval is obtained from the competent authority).</p> <p>As at the end of September 2019, the company had total assets of RMB15,742 million, and total liabilities of RMB104,81 million, with a gearing ratio of 66.57% and owners' equity amounting to RMB5,260 million; and recorded operating income of RMB5,164 million and net profit of RMB415 million.</p>		

15. *Guangzhou Fenge Fuel Co., Ltd.* (廣州豐樂燃料有限公司)

Date of establishment	September 2004	Registered capital	RMB100 million
Relationship with the Bank	A corporation controlled by a former supervisor of the Bank		
Basic information	<p>Scope of business: its main products include fuel oil, petroleum coke, coal, soda ash, petrochemical products, etc.</p> <p>As at the end of November 2019, the company had total assets of RMB4,220 million, and total liabilities of RMB210 million, with a gearing ratio of 50.08% and owners' equity amounting to RMB2,110 million; and recorded operating income of RMB5,540 million and net profit of RMB180 million.</p>		

16. *Guangzhou Huadu Huanyang Trading Co., Ltd* (廣州市花都環洋商貿有限公司)

Date of establishment	April 1999	Registered capital	RMB10 million
Relationship with the Bank	A related party of the Bank's supervisor		
Basic information	<p>Scope of business: wholesale and retail trading (excluding merchandise subject to state franchise or control); and educational project investment.</p> <p>As at the end of December 2019, the company had total assets of RMB189 million, and total liabilities of RMB79 million, with a gearing ratio of 41.79% and owners' equity amounting to RMB110 million; and recorded operating income of RMB97,228,700 and net profit of RMB5,293,900.</p>		

17. *Guangzhou College of Technology and Business (廣州工商學院)*

Date of establishment	March 2005	Registered capital	RMB9.58 million
Relationship with the Bank	A related party of the Bank's supervisor		
Basic information	<p>Scope of business: higher education;</p> <p>As at the end of December 2019, the company had total assets of RMB2,892 million, and total liabilities of RMB1,575 million, with a gearing ratio of 54.46% and owners' equity amounting to RMB1,317 million; and recorded operating income of RMB527 million and net profit of RMB57.475 million.</p>		

18. *China Southern Asset Management Co., Ltd. (南方基金管理股份有限公司)*

Date of establishment	March 1998	Registered capital	RMB361.72 million
Relationship with the Bank	A related party of the Bank's director		
Basic information	<p>Scope of business: fund raising, sale of funds, asset management, and other businesses as approved by the CSRC.</p> <p>As at the end of June 2019, the company had total assets of RMB8,252 million, and total liabilities of RMB3,004 million, with a gearing ratio of 36.40%; and owners' equity amounted to RMB5,152 million.</p>		

19. *Jiangmen Rural Commercial Bank Company Limited (江門農村商業銀行股份有限公司)*

Date of establishment	September 2018	Registered capital	RMB4,991,999,050
Relationship with the Bank	A related party of the Bank's director		
Basic information	As a player in the interbank bond market, Jiangmen Rural Commercial Bank Company Limited has the needs to and is likely to carry out spot transactions of bonds with the Bank in the interbank bond market.		

20. *Guangzhou Municipal Construction Group Co., Ltd.* (廣州市建築集團有限公司)

Date of establishment	December 1981	Registered capital	RMB3,545,306,409
Relationship with the Bank	A related party of the Bank's supervisor		
Basic information	<p>Scope of business: housing project construction; management of corporate headquarters; business management services (excluding items subject to licensing); asset management (excluding items subject to approval); construction of municipal public works; construction of urban railroad and transportation facilities; gardening and landscaping services; construction of indoor stadium and recreational facilities; construction of outdoor sports facilities; real estate development and operation, engineering technology consultation services; professional contracting of electromechanical equipment installation; installation of electrical systems for buildings; IC card system engineering services; design and construction of fire-fighting facilities; installation of tap water systems for buildings; installation of drainage systems for buildings; installation of air conditioners and ventilation equipment for buildings; installation of steel structures and prefabricated parts for buildings; interior decoration and fitting out; provision of construction equipment; subcontracting of construction services; earthwork and stonework services; research on engineering and technology and experiments thereon; basic and scientific research services in relation to engineering and technology; inspection of building materials; inspection and testing of fire-fighting facilities in buildings; development of new materials; consultation and exchange on technology concerning new materials; consultation and exchange on environmental protection technology; manufacturing of light building materials; manufacturing of water-proof building materials; wood processing, processing of construction wood and wooden components; manufacturing of metalwork structures; manufacturing of metal accessories and pedestals used in construction; sale of general purpose mechanical equipment; sale of electromechanical equipment; retail of general purpose mechanical equipment; wholesale of building materials and decoration materials; training on vocational skills (excluding those not allowed to be carried out until approval is granted); overseas dispatching of labour force (excluding maritime personnel);</p> <p>As at the end of September 2019, the company had total assets of RMB58,387 million, and total liabilities of RMB47,987 million, with a gearing ratio of 82.19% and owners' equity amounting to RMB10,400 million; and recorded operating income of RMB61,804 million and net profit of RMB416 million.</p>		

(II) Related Subsidiaries

1. *Hunan Zhuzhou Zhujiang Rural Commercial Bank Co., Ltd.* (湖南株洲珠江農村商業銀行股份有限公司)

Date of establishment	December 2017	Registered capital	RMB600 million
Relationship with the Bank	A related subsidiary of the Bank		
Basic information	As a player in the interbank bond market, Hunan Zhuzhou Zhujiang Rural Commercial Bank Co., Ltd. has the needs to and is likely to carry out spot transactions of bonds with the Bank in the interbank bond market.		

2. *Chaozhou Rural Commercial Bank Co., Ltd.* (潮州農村商業銀行股份有限公司)

Date of establishment	June 2019	Registered capital	RMB2,633,341,800
Relationship with the Bank	A related subsidiary of the Bank		
Basic information	As a player in the interbank bond market, Chaozhou Rural Commercial Bank Co., Ltd. has the needs to and is likely to carry out spot transactions of bonds with the Bank in the interbank bond market.		

3. *Zhujiang Financial Leasing Co., Ltd.* (珠江金融租賃公司)

Date of establishment	December 2014	Registered capital	RMB1,000 million
Relationship with the Bank	A related subsidiary of the Bank		
Basic information	Zhujiang Financial Leasing Co., Ltd. intends to carry out bond business and has been demonstrating the feasibility on conducting bond transactions with the Bank (its parent company).		

(III) Related Natural Persons

Related natural persons include the directors, supervisors and senior management of the Bank, and other persons who have the right to decide on or participate in the Bank's credit extension and asset transfer, and their respective close relatives, as well as other natural persons who are deemed as related natural persons under the regulatory requirements of the CBIRC or by the Bank on the "Substance over Form" principle.

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Guangzhou Rural Commercial Bank Co., Ltd.*

廣州農村商業銀行股份有限公司*

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1551)

(Preference Share Stock Code: 4618)

NOTICE OF 2019 AGM

NOTICE IS HEREBY GIVEN that the 2019 annual general meeting (the “AGM”) of Guangzhou Rural Commercial Bank Co., Ltd.* (the “Bank”) will be held at 13F, No. 1 Huaxia Road, Pearl River New Town, Tianhe District, Guangzhou, Guangdong Province, PRC at 9:30 a.m. on Friday, May 22, 2020, to consider, and if thought fit, pass the following resolutions:

I. ORDINARY RESOLUTIONS

1. to consider and approve the 2019 Board of Directors' Report;
2. to consider and approve the 2019 Board of Supervisors' Report;
3. to consider and approve the 2019 Annual Report;
4. to consider and approve the 2019 Annual Financial Statements;
5. to consider and approve the 2020 Financial Budget;
6. to consider and approve the 2019 Profit Distribution Plan;
7. to consider and approve the amendments to the Measures for the Administration of the Equities;
8. to consider and approve the election of Mr. Zhang Jian as Director of the Bank;
9. to consider and approve the 2019 Report on Sannong Financial Services;

10. to consider and approve the estimated annual caps for recurring related party transactions in 2020; and
11. to consider and approve the appointment of PricewaterhouseCoopers Zhongtian LLP (Special General Partnership) for auditing the 2020 annual financial statements (the generally accepted principles of the PRC) and the appointment of PricewaterhouseCoopers for reviewing the 2020 interim financial statements (International Financial Reporting Standards) and auditing the 2020 annual financial statements (International Financial Reporting Standards), each for a term of office until the conclusion of the Bank's 2020 annual general meeting, and to authorize the Board to determine their service fees.

II. SPECIAL RESOLUTIONS

1. to consider and approve the general mandate to issue new shares;
2. to consider and approve the extension of the validity period of the plan for A Share Offering; and
3. to consider and approve the extension of the validity period of the mandate to authorize the Board of Directors and its authorized persons to deal with A Share Offering at its/their sole discretion.

By Order of the Board
Guangzhou Rural Commercial Bank Co., Ltd.*
Yi Xuefei
Vice Chairman

Guangzhou, the PRC, April 7, 2020

As at the date of this announcement, the Board comprises one executive director, namely Mr. Yi Xuefei; four non-executive directors, namely Mr. Li Fangjin, Mr. Su Zhigang, Mr. Liu Guojie and Mr. Zhu Kelin; and four independent non-executive directors, namely, Mr. Liu Shaobo, Mr. Liu Heng, Mr. Song Guanghui and Mr. Zheng Jianbiao.

Notes:

1. Pursuant to the Listing Rules, all resolutions proposed at the meeting will be voted by poll (except for the resolutions concerning relevant procedures or administrative matters which the chairman decides to permit the vote by a show of hands). The voting results will be published on both the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Bank (www.grcbank.com) in accordance with the Listing Rules.

2. **Closure of register of members and eligibility for attending and voting at the AGM**

Holders of H Shares of the Bank are advised that the register of members of the Bank will be closed from Wednesday, April 22, 2020 to Friday, May 22, 2020 (both days inclusive), during which time no transfer of H Shares of the Bank will be effected or registered.

In order to qualify for attending and voting at the AGM, instruments of transfer accompanied by share certificates and other appropriate documents must be lodged with the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, by 4:30 p.m. on Tuesday, April 21, 2020.

Shareholders of the Bank whose names appear on the register of members of the Bank at the close of business on Tuesday, April 21, 2020 are entitled to attend and vote at the AGM.

3. **Reply slip**

Holders of H Shares who intend to attend and vote at the AGM must complete and return the accompanying reply slip to the Bank's H Share Registrar on or before Saturday, May 2, 2020. The reply slip may be delivered by hand, by post or by fax to the Bank's H Share Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the reply slip do not affect the right of a Shareholder to attend and vote at the AGM.

However, failure to return the reply slip may result in an adjournment of the AGM, if the number of Shares carrying the right to vote represented by the Shareholders proposing to attend the AGM by reply slip does not reach more than half of the total number of Shares of the Bank carrying the right to vote at the AGM.

4. **Proxy**

Every Shareholder who has the right to attend and vote at the AGM is entitled to appoint one or more proxies, whether or not they are members of the Bank, to attend and vote on his/her behalf at the AGM.

A proxy must be appointed by an instrument in writing. Such instrument must be signed by the appointer or his attorney duly authorized in writing. If the appointer is a legal person, then the instrument must be signed under a legal person's seal or signed by its director or an attorney duly authorized in writing. The instrument appointing the proxy must be deposited at the Bank's H Share Registrar at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for holders of H Shares not less than 24 hours before the time specified for the holding of the AGM or any adjournment thereof (as the case may be).

If the instrument appointing the proxy is signed by a person authorized by the appointer, the power of attorney or other documents of authority under which the instrument is signed must be notarized.

The notarized power of attorney or other document of authority must be deposited together and at the same time with the instrument appointing the proxy at the Bank's H Share Registrar.

5. Other businesses

- (i) The AGM is expected to last for no more than half a working day. Shareholders and their proxies attending the AGM shall be responsible for their own traveling and accommodation expenses.
- (ii) The address of Computershare Hong Kong Investor Services Limited:

Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong
Tel: (852) 2862 8555
Fax: (852) 2865 0990

- * *The Bank is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.*